

**REMARKS**

Claims 1-19 stand rejected under 35 U.S.C. § 103 as being unpatentable over Runje et al. '312 ("Runje") in view of Clark '280 ("Clark"). This rejection is respectfully traversed for the following reasons.

One of the features of the present invention as recited in the pending claims is the *mutual* verification that can be performed between the license issuing device and license storing device, whereby authentication of the users is NOT needed. For example, a user can pay the required fee to receive the license by simple manipulation such as at a ticket-vending machine. Accordingly, the license issuing device can be *independent* from the information network, and neither user authentication nor an administration center is needed. Further, having a verification function in the license storing device can protect against fraudulent license issuing devices attempting to issue false licenses to collect fees (*see, e.g.*, page 19, lines 12-15 of Applicant's specification). Similarly, the license storing device and contents reproducing device can also perform mutual authentication. Because neither user authentication nor an administration center is needed, the license storing device and contents reproducing device, which can be portable and independent of the network, can more easily reproduce the contents without needing a device for license management.

Turning to the cited prior art, Runje discloses a Secure Transaction Server ("STS") used for authenticating users and managing licenses (*see, e.g.*, claim 1, paragraph [0093]). Indeed, the disclosed KeyCard contains user information (*see* paragraph [0108]), whereby the user must perform individual authentication by inputting a PIN at a terminal connected to the STS to receive a license. Clark, on the other hand, is relied upon only for allegedly disclosing a one-way verification means of a license issuing device and is NOT relied upon for the verification function of the license storing device. Accordingly, even assuming *arguendo* the Examiner's allegations regarding Clark

and the proposed combination are proper, the cited prior art does not disclose the claimed inventions.

Furthermore, Runje does not appear to disclose encrypting the issued license with a KeyCard ID. The Examiner refers to page 4, paragraphs 148-152 of Runje as allegedly disclosing the claimed encryption means (Clark is not relied upon for this feature). However, page 4 of Runje does not have paragraphs 148-152 so it is not clear if the Examiner's citation is mistaken with respect to page or paragraph. Nonetheless, neither page 4 nor paragraphs 148-152 appear to disclose a usable ID for the KeyCard, let alone encrypting the issued license with a KeyCard ID. Rather, the alleged license issuing device of Runje appears to output licenses independent of an encrypted ID of the KeyCard. According to this aspect of the present invention, fraud such as illegally duplicating licenses onto other license storing devices can be prevented (*see, e.g.*, page 4, line 23 – page 5, line 2 of Applicant's specification).

The Examiner is directed to MPEP § 2143.03 under the section entitled "All Claim Limitations Must Be Taught or Suggested", which sets forth the applicable standard:

To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. (citing *In re Royka*, 180 USPQ 580 (CCPA 1974)).

In the instant case, the pending rejection does not "establish *prima facie* obviousness of [the] claimed invention" as recited in the pending claims because the proposed combination fails the "all the claim limitations" standard required under § 103.

Under Federal Circuit guidelines, a dependent claim is nonobvious if the independent claim upon which it depends is allowable because all the limitations of the independent claim are contained in the dependent claims, *Hartness International Inc. v. Simplimatic Engineering Co.*, 819 F.2d at 1100, 1108 (Fed. Cir. 1987). Accordingly, as the independent claims are patentable for the reasons

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set forth above, it is respectfully submitted that all claims dependent thereon are also patentable. In addition, it is respectfully submitted that the dependent claims are patentable based on their own merits by adding novel and non-obvious features to the combination.

Based on the foregoing, it is respectfully submitted that all pending claims are patentable over the cited prior art. Accordingly, it is respectfully requested that the rejection under 35 U.S.C. § 103 be withdrawn.

### **CONCLUSION**

Having fully responded to all matters raised in the Office Action, Applicant submits that all claims are in condition for allowance, an indication for which is respectfully solicited. If there are any outstanding issues that might be resolved by an interview or an Examiner's amendment, the Examiner is requested to call Applicant's attorney at the telephone number shown below.

To the extent necessary, a petition for an extension of time under 37 C.F.R. 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account 500417 and please credit any excess fees to such deposit account.

Respectfully submitted,

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**Date: September 2, 2004**